

**The Florida House of Representatives**  
Economic Expansion and Infrastructure Council  
Committee on Infrastructure

**Developing & Financing the  
Florida Department of Transportation's  
Five-Year Work Program**

**Interim Project Report**  
Spring 2008

Marco Rubio  
Speaker

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Chairman

## Synopsis

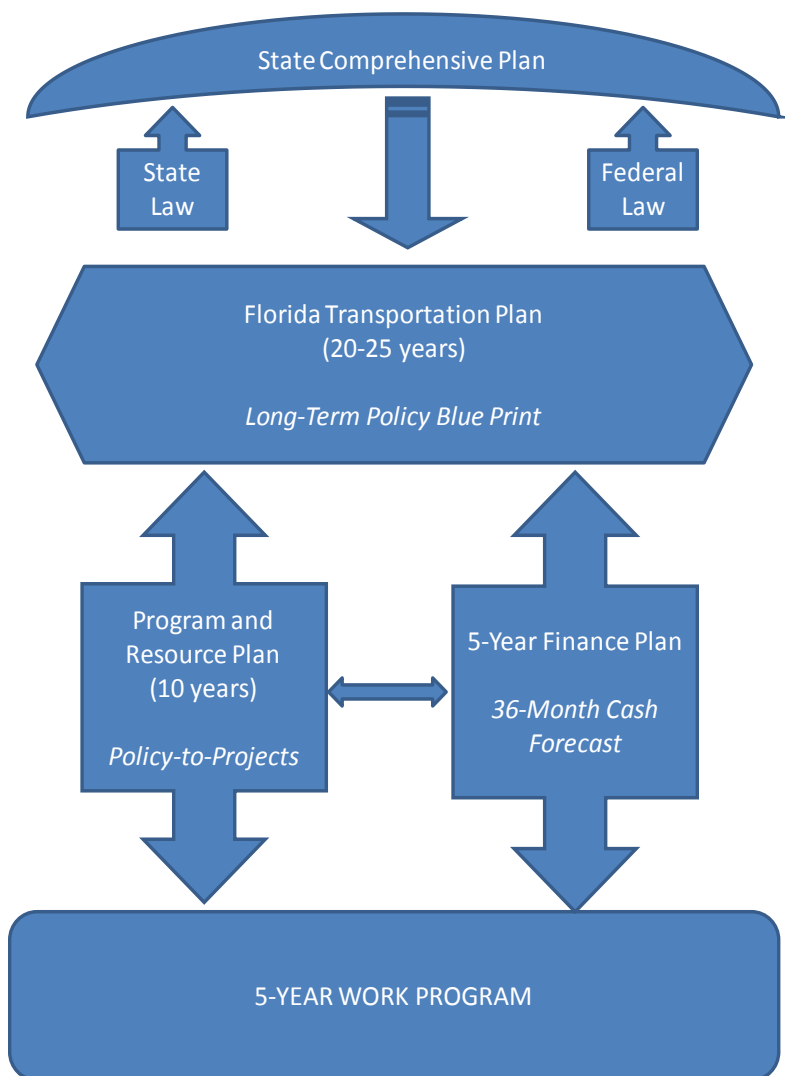
The Florida Department of Transportation (Department) is responsible for the development and maintenance of Florida's transportation system. The Department is authorized to develop the State Transportation Five-Year Work Program, a project specific list of transportation related development and improvements which conform to the objectives of the Florida Transportation Plan.<sup>1</sup> The Department coordinates development of the Work Program with its seven district offices, the Turnpike Enterprise Office (Turnpike), Metropolitan Planning Organizations (MPOs), the federal government, and local governments. The Five-Year Work Program is financed primarily through dedicated transportation revenues. The Legislature approves the work program each year, authorizing a commitment budget for the upcoming fiscal year through the general appropriations act, and oversees amendments throughout the fiscal year.

## Introduction

All transportation projects administered by the Department must be incorporated into the Work Program. The purpose of the Work Program is to effectively and efficiently administer, on a project specific basis, Florida's long term strategic transportation needs. The Work Program is developed, under the coordination of the Department, by the Department's seven decentralized district offices in conjunction with MPOs, the Turnpike and local governments.

Each year, as a new Five Year Work Program is adopted, planning begins to develop the Tentative Five Year Work Program to be adopted the following year. The ongoing process is designed to distill Florida's long term transportation needs into a project specific timeline.

**Figure 1 Development of the 5 Year Work Program**



<sup>1</sup> s. 339.135, F.S.

### Five-Year Work Program is a Strategic Plan

Florida Statutes require the Work Program to be driven by policy and program objectives as outlined in the Florida Transportation Plan, a long range (20-25 year), continually reviewed plan aimed at forecasting Florida's major transportation needs. Targets for achieving the objectives adopted in the Florida Transportation Plan are articulated in the Ten-Year Program and Resource Plan. Long term financing is forecasted in the Ten-Year Finance Plan which includes a Five-Year cash balanced plan. The Work Program outlines, on a project specific basis, the order and priority for executing various stages of specific projects over a five-year period.

Each year the Legislature approves and the Department adopts a new Five-Year Work Program. Simultaneously, the Department begins developing a Tentative Work Program which will be adopted the following year. The Tentative Work Program removes Year 1 from the adopted Work Program and adds a new fifth year (Year 5+1) to the work program. Projects programmed for Years 2-5 in the adopted work program are amended where appropriate and are re-designated as Years 1-4 in the Tentative Work Program.

Each year, the Department must: (1) execute projects scheduled for Year 1 of the Adopted Five-Year Work Program; (2) seek legislative authorization to expend transportation revenues for projects scheduled in Year 2 of the Adopted Work Program (subsequent Year 1 of the Tentative Work Program); and (3) plan for the Tentative Work Program to be adopted following formalization of the new fifth year (Year 5+1) as well as amendments made to projects in years 1-4 of the Tentative Work Program.

The planning process is coordinated by the Department's decentralized district offices who in turn work in close cooperation with local governments and MPOs to develop the Tentative Work Program. The decentralized nature of the planning process is intended to give maximum input to local communities working together with the Department's district offices. At the local level, the Work Program should be consistent with the capital improvement elements of the local government comprehensive plan.

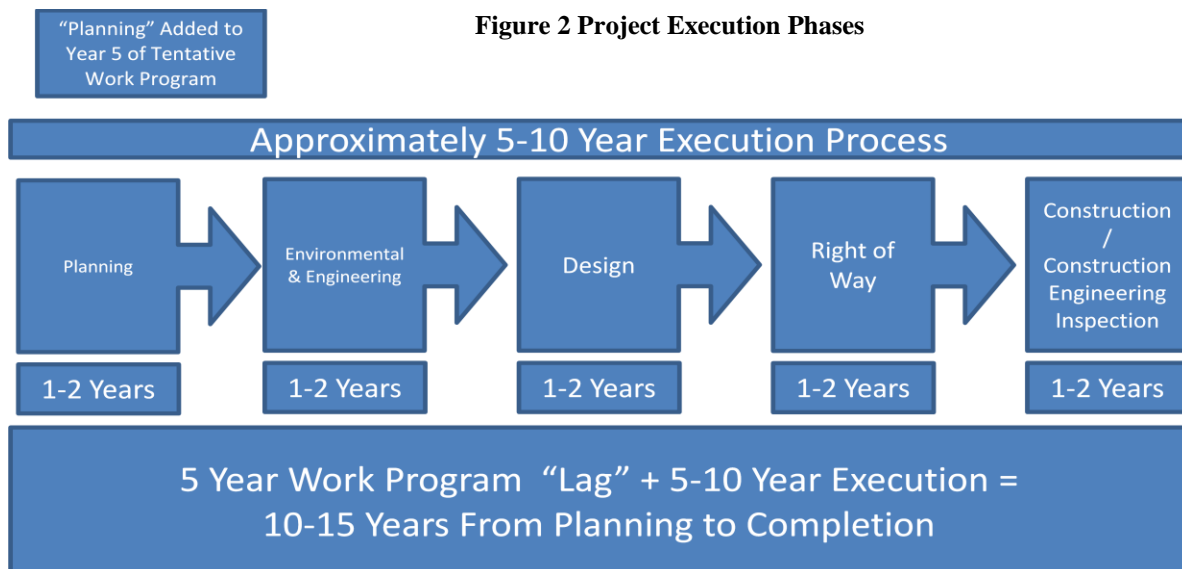
### Phases of Project Planning and Execution

Projects in the Work Program are adopted and funding is appropriated through five different stages of project planning and development: (1) planning; (2) environmental assessment & engineering; (3) design; (4) right-of-way acquisition; and (5) construction and construction engineering inspection. Each stage is estimated to take between one and two years in order to complete, although individual stages may require additional time for large or complex projects. The acquisition of right-of-way is particularly prone to cost overruns and delays given the delicate nature of negotiating the purchase of land needed to execute the project. The first stage of a new project, the "Planning" stage, typically enters the Work Program in Year 5+1 of the Tentative Work Program.

- **Planning:** The Department engages in activities necessary to identify, select, define and develop a project. Planning activities are achieved through either in-house planning or planning consultants and planning grants. Planning for a new project should be undertaken in consonance with the Department's strategic and policy planning process.

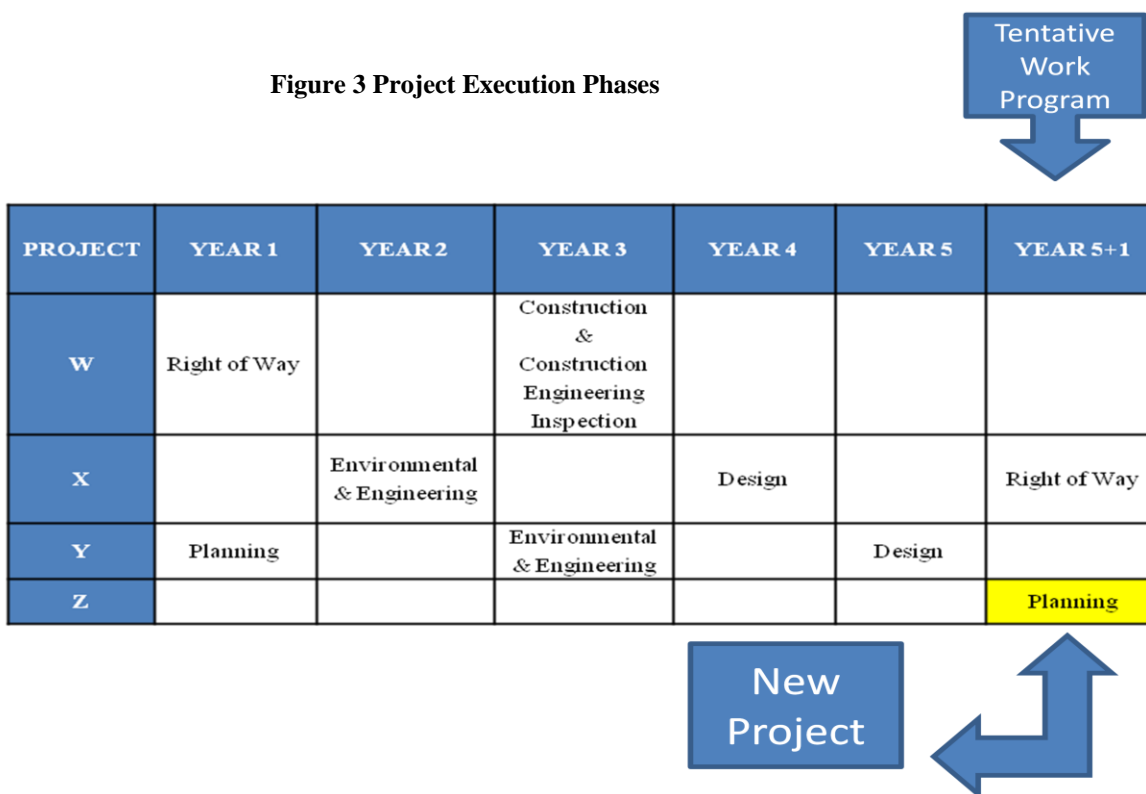
- **Environmental Assessment & Engineering:** The Department studies environmental, economic, social and historic impacts of the project on the local community. The Department also studies alternative concepts and road alignments, always considering a “no build” option. The public is invited to communicate ideas through workshops and is invited to comment on the final report at a public hearing held after all requisite due diligence is completed. If the project is financed in part through federal funds, the final report is sent to the Federal Highway Administration for location and design approval.
- **Design:** Funding for the design phase appears two fiscal years after the environmental and engineering process is concluded. Drainage and utilities, permits, median openings, access connections, and the precise right-of-way needs are defined during this phase.
- **Right-of-Way Acquisition:** The state must own the land on which it intends to build new transportation projects. The state pays fair market value for all acquired property, including relocation expenses for existing homes and businesses. Increasing property values can delay acquisition of right-of-way and cause cost overruns.
- **Construction:** The lowest priced qualified contractor is awarded the construction phase of the project. Transportation project construction can often be slow moving because traffic continues to traverse through the construction zone.
  - **Construction Engineering Inspection:** Concurrent with the construction process, the Department engages in reviewing the construction and engineering integrity of a project. This phase typically ends when the project enters service and all post-construction project activities are concluded.

Figure 2 illustrates the flow of project stages through the planning process. A project is incorporated into the Work Program when the “Planning” stage is incorporated into Year 5+1 of the Tentative Work Program.



As the Tentative Work Program is adopted each year, project stages are incorporated as each project progresses through the five steps of project planning and execution (see Figure 3).

**Figure 3 Project Execution Phases**



### Financing the Work Program

Financing for the work program is appropriated from two main dedicated sources of funding: (1) the State Transportation Trust Fund, and (2) the Federal Highway Trust Fund. Little or no state or federal general revenue funds are used to finance the Work Program. A complex framework of state and federal laws govern the process of generating revenue, budgeting for the Work Program and appropriating available funds.

The Department resembles a private sector enterprise in that it must forecast expected revenues and develop a finance plan. The ten-year Finance Plan is required to match anticipated revenues to anticipated expenditures and includes the five-year cash balance in the State Transportation Trust Fund. The Department is required by statute to develop a Work Program that is cash balanced. The finance plan informs the annual commitment budget.<sup>2</sup> The appropriations received each year from the Legislature are for the commitment, or authorization, of funds to specific categories, but the cash necessary to finance the projects is drawn from transportation specific receipts deposited in the trust fund.

<sup>2</sup> Florida Department of Transportation's Work Program Instructions.

The Department, unlike most state government agencies, is allowed to carry budget authority from one fiscal year to the next to accommodate the multi-year nature of transportation projects. The Department is able to manage excess cash balances in the State Transportation Trust Fund similar to a private entity by generating interest and scheduling income and expenditure requirements in a manner that leverages incoming revenues and allows the Department, within established cash management techniques, to budget for annual expenditures that exceed annual revenues in the short run. The Department maintains a positive balance of about \$700 million to \$1 billion on any given day to satisfy ongoing cash requirements and promote financial stability.<sup>3</sup>

Figure 4 represents the distribution of revenues pursuant to the fiscal year 2007 - 2008 commitment budget. The budget authorized by the Legislature each year provides authority to expend revenues in the State Transportation Trust Fund to satisfy the requirements of projects scheduled in Year 2 of the Adopted Work Program (corresponding to Year 1 of the Tentative Work Program). The net effect of the Department's ability to carry forward budget authority, combined with the implementation of cash management strategies, results in a commitment budget for fiscal year 2007-2008 that is 1.35 times larger than the revenues collected during the same period.

**Figure 4 Pro Forma Distribution of Revenues, FY XXXX<sup>4</sup>**

Example Distribution FY XXXX (\$ in Millions)								
Source	Revenues	Percent of Receipts	2008 Budget (Commitment)	Statutory-Federal Requirements	Needs Based Programs	Remaining Flexible Funds	Flexible Funds for the Strategic Intermodal System (SIS) Funds	Flexible Funds for District Statutory Funds
Highway Fuel Tax	\$1,208.9	22.5%	\$1,632.0	\$266.0	\$605.8	\$760.2	\$570.2	\$190.1
State Comprehensive Enhanced Transportation Services Tax (SCETS)	\$690.0	12.8%	\$931.5	\$738.3		\$193.2	\$144.9	\$48.3
Off-Highway Fuel Tax	\$15.1	0.3%	\$20.4	\$3.3	\$7.6	\$9.5	\$7.1	\$2.4
Aviation Fuel Tax	\$58.4	1.1%	\$78.8	\$12.8	\$29.3	\$36.7	\$27.5	\$9.2
Fuel Use and Tax Fee	\$25.8	0.5%	\$34.8	\$1.8	\$12.9	\$20.1	\$15.1	\$5.0
Alternative Fuel Tax	\$0.2	0.0%	\$0.3	\$0.0	\$0.1	\$0.1	\$0.1	\$0.0
Motor Vehicle License Fees	\$611.4	11.4%	\$825.4	\$92.8	\$306.4	\$426.2	\$319.7	\$106.6
Initial Registration Fees	\$148.5	2.8%	\$200.5	\$10.4	\$74.4	\$115.7	\$86.7	\$28.9
Title Fees	\$117.2	2.2%	\$158.2	\$8.2	\$58.7	\$91.3	\$68.5	\$22.8
Rental Car Surcharge	\$112.9	2.1%	\$152.4	\$120.8		\$31.6	\$23.7	\$7.9
Local Option Fuel Tax	\$45.9	0.9%	\$62.0	\$49.1		\$12.9	\$9.6	\$3.2
Document Stamps	\$541.8	10.1%	\$731.4	\$731.4		\$0.0	\$0.0	\$0.0
Federal Funds	\$1,805.5	33.5%	\$2,437.4	\$135.6	\$904.8	\$1,397.0	\$1,047.8	\$349.3
<b>Total</b>	<b>\$5,381.6</b>	<b>100.0%</b>	<b>\$7,265.1</b>	<b>\$2,170.6</b>	<b>\$2,000.0</b>	<b>\$3,094.5</b>	<b>\$2,320.9</b>	<b>\$773.6</b>

The process of receiving transportation specific revenue and crafting the annual commitment budget for Year 1 of the Tentative Work Program is driven by (1) the source of the revenue; (2) state and federal laws requiring particular expenditures; (3) priority need based spending; and (4) statutes governing the appropriation of remaining flexible funds.

<sup>3</sup> s. 339.135(6)(b), F.S., requires the Department, at the close of each quarter, to maintain a cash balance in the State Transportation Trust Fund of at least \$50 million or 5 percent of the unpaid balance of all State Transportation Trust Fund obligations at the close of the quarter.

<sup>4</sup> The figures represented herein reflect a pro forma distribution and may not reflect the actual program levels in the Work Program due to variable impacts that occur over a Work Program cycle. All references in this document to fiscal year 2007-2008 are reflective of funding levels on July 1, 2007.

## 1. Revenue Source Determines Utilization of Cash Receipts

The source of every transportation specific receipt influences how the funds are ultimately spent. Major revenue sources are (1) federal funds; (2) state funds; (3) toll revenues; (4) right-of-way and bridge bond proceeds; and (5) local funds. Figure 5 outlines the major sources of transportation revenues in Florida.

**Figure 5 Sources of Transportation Revenues**

Federal Funds	State Funds	Toll Revenues	Right of Way and Bridge Bond Proceeds
<ul style="list-style-type: none"> <li>• Highway Fuel Tax</li> <li>• Aviation Tax</li> <li>• Excise tax</li> <li>• Heavy Truck Use Tax</li> </ul>	<ul style="list-style-type: none"> <li>• Highway Fuel Sales Tax</li> <li>• State Comprehensive Enhancement Transportation System Tax</li> <li>• Off-Highway Fuel Sales Tax</li> <li>• Aviation Fuel Tax</li> <li>• Fuel Use Tax and Fees</li> <li>• Alternative Fuel Tax</li> <li>• Motor Vehicle Licenses</li> <li>• Initial Vehicle Registration Fee</li> <li>• Title Fees</li> <li>• Rental Car Surcharge</li> <li>• Documentary Stamp Tax</li> </ul>	<p><u>Department Owned Facilities</u></p> <ul style="list-style-type: none"> <li>• Everglades Parkway</li> <li>• Bee-Line Expressway</li> <li>• Sunshine Skyway Bridge</li> <li>• Pinellas Bayway</li> <li>• Florida's Turnpike</li> </ul> <p><u>Non-Department Owned Facilities</u></p> <ul style="list-style-type: none"> <li>• Santa Rosa Bay Bridge</li> <li>• Lee County (Sanibel Causeway, Cape Coral and Mid-Point Memorial)</li> <li>• Mid-Bay Bridge</li> <li>• Orlando-Orange County Expressway</li> <li>• Miami-Dade Expressway</li> <li>• Tampa-Hillsborough County Expressway</li> </ul>	<p>The State is authorized to issue bonds to acquire right of way for roads and to construct bridges.</p> <p>About three-fourths of the funds derived from the bonds are spent on right of way acquisition and one-fourth is spent on bridge construction.</p>
	<p><b>Local Funds</b></p> <ul style="list-style-type: none"> <li>• Local Option Fuel Tax</li> </ul>		

## 2. Federal and State Laws Drive Spending Requirements

The federal and state laws that authorize the collection of certain revenues also direct where some, or all, of the revenues collected must be directed. State law also authorizes the Department to expend such funds as necessary to maintain the safety and integrity of the state transportation system. The Department has broad discretion to direct resources pursuant to this authority. Only after these statutory spending requirements have been satisfied may “flexible funds” be directed to discretionary Work Program projects.

### a. Federal Funds

Federal funds accounted for 33.5% of all receipts in fiscal year 2007-2008. Over the past five years, Florida has received 91.3 cents (the historical average dating back to 1956 is 81.2 cents) for every dollar deposited into the Federal Highway Motor Fuel Trust Fund from tax collections in the state.<sup>5</sup>

<sup>5</sup> Federal Highway Administration-Highway Trust Fund Data Tables.

The majority of federal funds are specifically allocated to a number of federal programs within the state and projects specifically earmarked by Congress. In most instances, the state does not receive cash receipts from federal funds, but instead, the federal government is billed by the state for expenses incurred in connection with federally funded projects. Florida is a donor state in the federal transportation tax scheme.

b. State Funds

Transportation revenue collected pursuant to state law is deposited in the State Transportation Trust Fund. Automatically, a certain percentage of the revenue collected is directed toward specific types of projects or geographic areas. The following is not an exhaustive list of these requirements but illustrates major requirements associated with larger revenue sources:

- i. Motor and Other Fuel Taxes<sup>6</sup>  
Public transportation must receive a minimum of 15 percent of the revenues generated through fuel taxes.
- ii. State Comprehensive Enhancement Transportation System (SCETS) Tax<sup>7</sup>  
The SCETS tax is assessed to the sale of motor fuel on a per gallon basis in addition to the state's conventional motor fuel tax. Revenue generated from this tax, after accounting for mandatory administrative deductions, may only be used to fund projects in the Work Program and, to the maximum extent feasible, such revenue must be programmed for use in the county where the tax was collected.
- iii. Motor Vehicle License Fees<sup>8</sup>  
The Florida Seaport Transportation and Economic Development Program must receive \$10 million from motor vehicle license fee revenues and an additional \$15 million specifically for seaport intermodal access.
- iv. Rental Car Surcharge<sup>9</sup>  
Eighty percent of the revenues generated from the surcharge must be deposited in the State Transportation Trust Fund and distributed to the district from which they originated, exclusive of the Turnpike. The remaining 15.75 percent of proceeds are distributed to the Tourism Promotional Trust Fund and 4.25 percent to the Florida International Trade and Promotion Trust Fund.
- v. Local Option Fuel Tax<sup>10</sup>  
All revenues collected from this tax are distributed to the county from which they are collected.<sup>11</sup>

<sup>6</sup> s. 206.41, F.S.

<sup>7</sup> s. 206.608, F.S.

<sup>8</sup> s. 320.20, F.S.

<sup>9</sup> s. 212.0606, F.S.

<sup>10</sup> s. 336.025, F.S.

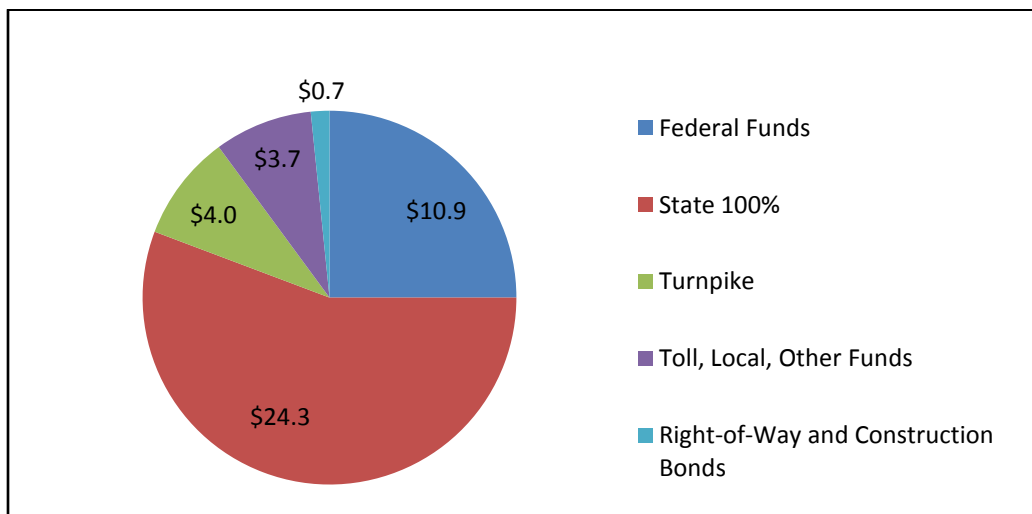
vi. Remaining Funds Deposited in the STTF<sup>12</sup>

After all statutory obligations have been met for transportation revenues prescribed by Florida Statute, an additional \$25 million is directed to fund the Small County Road Assistance Program (SCRAP) and 3 percent is reserved for the purpose of funding the County Incentive Grant Program (CIGP) and the Small County Outreach Program (SCOP) -- a minimum of 80 percent of which is used to fund CIGP and up to 20 percent to fund SCOP.

The distribution of funds at the district level is mandated by ss. 339.135, 336.026, F.S., and federal law. Florida Statutes do not require the Department to make a distribution of funds at the county level. State law requires the Department to expend proceeds from the State Comprehensive Enhanced Transportation Systems (SCETS) tax in the district of collection and, to the maximum extent feasible, in the county in which it was collected. Local option fuel taxes must be distributed to the county from which they were collected.

In fiscal year 2007-2008, approximately 29.8 percent, or \$2.17 billion, of all revenues deposited into the trust fund are restricted by state or federal law.

**Figure 6 Florida Department of Transportation Total Funding,  
FY08-12 = \$43.6 Billion**



<sup>11</sup> A 7.3 percent surcharge is deducted from local option fuel tax revenue and deposited into the General Revenue Fund, State Transportation Trust Fund and State University System Concurrency Trust Fund as provided for by ss. 215.20 and 215.22, F.S.

<sup>12</sup> ss. 215.211 and 339.2816, F.S.

3. The Department has Statutory Discretion for Need Based Programs.

After statutory and federal requirements have been satisfied, the Department has broad statutory discretion to allocate funds toward immediate needs and safety related expenses. In fiscal year 2007-2008, need based programs accounted for \$2 billion of the \$7.26 billion commitment budget; or approximately 27.5 percent of the fiscal year 2007-2008 commitment budget. The prevailing principles in defining need are: preserving the existing transportation infrastructure; enhancing Florida's economic competitiveness; and improving travel choices to ensure mobility.<sup>13</sup>

4. Percentage of Remaining Balance is Flexible

After all statutorily mandated spending allocations are satisfied, the remaining balance of the commitment budget is flexible and subject to appropriation in order to accommodate the needs of the work program. In fiscal year 2007-2008, \$3.09 billion or approximately 42.6 percent of the commitment budget was available for appropriation as "flexible funds". The flexible funds are generally appropriated to finance the upcoming Year 1 of the Tentative Work Program. Flexible funds are distributed to projects throughout the state based on two main funding formulas listed below.

a. Flexible Funds for Strategic Intermodal System

Of the remaining flexible funds, a minimum of 50 percent must be allocated to the strategic intermodal system and the balance apportioned to the districts pursuant to a statutory formula. The Department, within their statutory discretion, presently allocates 75 percent of the flexible funds to the strategic intermodal system. In fiscal year 2007-2008, this allocation represented \$2.23 billion, or 30.7 percent of the total commitment budget.<sup>14</sup>

b. Flexible Funds for District Statutory Funds

The remaining 25 percent of the flexible funds is apportioned to districts based on a statutory formula that calls for the district to receive a percentage calculated as the average of the percentage of the state population that resides within the district and the percentage of gas tax receipts that originate within the district. When building the Department's Work Program, s. 339.135, F.S., states that to "ensure that no district or county is penalized for local efforts to improve the State Highway System, the Department shall allocate funds for new construction to the various districts based on equal parts of population and motor fuel collections. Figure 7 details how district specific flexible funds are apportioned.

<sup>13</sup> s. 334.046, F.S.

<sup>14</sup> s. 339.135(4)(a)(2), F.S.

**Figure 7 Pro Forma Distribution of Flexible Funds Based on Current District Statutory Formula**

<b>Distribution of Flexible Funds Based on Current District Statutory Formula</b>						
<b>District</b>	<b>Population (2000 Census)</b>	<b>Population %</b>	<b>Fuel Tax Receipts (June 2006 DOR)</b>	<b>Fuel Tax Receipts %</b>	<b>Statutory Percentage</b>	<b>Flexible Funding</b>
1	2,136,984	13.4%	\$ 233,747,716	14.0%	13.7%	\$ 106,035,221
2	1,663,067	10.4%	\$ 201,461,756	12.1%	11.3%	\$ 87,062,548
3	1,220,584	7.6%	\$ 138,696,383	8.3%	8.0%	\$ 61,769,267
4	3,186,575	19.9%	\$ 301,282,162	18.1%	19.0%	\$ 147,131,965
5	2,926,227	18.3%	\$ 346,745,510	20.8%	19.6%	\$ 151,392,882
6	2,332,951	14.6%	\$ 201,765,656	12.1%	13.4%	\$ 103,348,120
7	2,514,082	15.7%	\$ 241,200,818	14.5%	15.1%	\$ 116,894,746
<b>Statewide</b>	<b>15,980,470</b>	<b>100.0%</b>	<b>\$ 1,664,900,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$ 773,634,750</b>

**Figure 8 Florida Department of Transportation District Composition**

<b>District</b>	<b>Counties</b>
1	Charlotte, Collier, De Soto, Glades, Hardee, Hendry, Highlands, Lee, Manatee, Okeechobee, Polk, and Sarasota
2	Alachua, Baker, Bradford, Clay, Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Madison, Nassau, Putnam, St. Johns, Suwannee, Taylor, and Union
3	Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Santa Rosa, Wakulla, Walton, and Washington
4	Broward, Indian River, Martin, Palm Beach, and St. Lucie
5	Brevard, Flagler, Lake, Marion, Orange, Osceola, Seminole, Sumter, and Volusia
6	Miami-Dade and Monroe
7	Citrus, Hernando, Hillsborough, Pasco, and Pinellas
Turnpike	The Turnpike District is a 443-mile system of limited-access toll highways.

### Amending the Work Program

Although the yearly development of a Tentative Work Program aims to produce a roadmap for funding and executing specific projects through a five-year window, it is often necessary to amend the work program in order to account for delays, funding shortages and emergency projects requiring immediate attention. The Department may amend the Adopted Work Program at any time during the fiscal year. Major changes to the current year of the Work Program are accommodated through the official amendment process.<sup>15</sup>

<sup>15</sup> s. 339.135(7), F.S.

Amendments to the Work Program are reserved exclusively for changes pertinent to Year 1 of the Adopted Work Program. The Department may amend the Adopted Work program to transfer fixed capital outlay appropriations for projects within the same appropriation category or among appropriation categories, including (1) any amendment which deletes any project or project phase; (2) any amendment which adds a project estimated to cost over \$150,000; (3) any amendment which advances or defers to another fiscal year a right-of-way acquisition phase, construction phase, or public transportation project exceeding \$500,000; and (4) any amendment which advances or defers to another fiscal year, and any preliminary engineering phase or design phase estimated to cost over \$150,000. Amendments made pursuant to this process must be approved by the Executive Office of the Governor. The Chair of the responsible legislative committee in each chamber of the Legislature must be given notice of the amendment and then has 14 days to file an objection with the Governor.

Any changes required for subsequent years may be incorporated by modifications to the Tentative Work Program, becoming effective upon adoption of the Tentative Work Program in the subsequent year.

### Emerging National Trends in Financing State Transportation Systems

Nationwide, states and the federal government are re-evaluating the manner in which transportation systems are financed. Traditionally, the largest sources of transportation receipts have been taxes levied on fuel on a flat unit basis determined largely by the locality of where the fuel was purchased. The United States Department of Transportation (USDOT) has indicated that as vehicles evolve and burn less fuel, revenue from gas taxes may decrease significantly. The following reflects current alternatives being discussed at both the state and federal level.

- USDOT suggests that fees assessed on a per-mile traveled for the number of miles actually traveled may prove to be a stable, efficient, and equitable way to finance roads in the United States.<sup>16</sup>
- The Oregon Department of Transportation (ODOT) conducted a mileage fee pilot project in which volunteers used a mileage-counting device for in-state travel and purchased gas at select service stations that assessed a tax based on the number of miles travelled instead of by the quantity of fuel purchased at the station. Participants in the pilot program were asked to pay 1.2 cents per mile in lieu of the conventional gas tax. ODOT estimates that implementing a similar model may generate an estimated \$340 million annually in additional revenues. Based on the results of the pilot program, ODOT will draft model legislation for the Oregon State Legislature to consider, beginning in 2009.<sup>17</sup>
- The Infrastructure Policy Commission, a Congressional commission, proposed expanding federal involvement in interstate transportation programs by increasing the level of capital investment in surface transportation. The report was criticized by analysts who disagreed with the centralized nature of the proposal.

<sup>16</sup> USDOT- Innovative Financing Series: Article 4 dated March/April 2006 Mileage-Based Road User Charges.

<sup>17</sup> ODOT-Road User Fees and Public Private Partnerships in Oregon.

- The Infrastructure Financing Commission, another Congressional commission recently reported that reliance on fuel taxes may no longer be an adequate source of transportation infrastructure financing. The Commission encouraged more efficient use of existing system capacity by implementing direct user fees in the form of tolls or congestion pricing that can shift travel to less congested times or alternative modes thus reducing the need for additional capacity.
- Recognizing the need for rapid construction of safe and efficient transportation facilities for purposes of intrastate travel, Florida law allows financial assistance from the private sector to advance projects programmed in the Adopted Work Program. Florida law provides for the use of funds provided by public-private partnerships or private entities to be reimbursed from Department funds for the project as programmed in the Adopted Work Program.<sup>18</sup>
- Other alternatives to fuel-based revenues include: increased license and vehicle registration fees, development impact fees, and implementation of more aggressive toll mechanisms. Little consensus but much debate exists as to effectiveness of these alternatives.

### The Legislature & The Work Program

The process outlined in statute for developing a Work Program through the Department's district offices is envisioned to provide maximum input and collaboration with communities and local governments. The process is, however, complex and governed by overlapping state and federal laws and regulations. The Department is tasked with collaborating with local governments, MPOs and Regional Planning Councils. Administrative procedure also provides for extensive public notice and public hearing requirements in the development of the Work Program and in the execution of individual projects. Additionally, the process for financing the work program is governed by restrictive conditions on how funds can be authorized and expended.

The Legislature, vested with the responsibility for articulating the public policy of the state, retains the ability to modify the process by which Florida's transportation system is funded, maintained, and upgraded through a series of policy making functions:

- State authorized transportation receipts are governed by Florida Statute. Legislators may change the requirements for collecting and distributing revenues generated by transportation receipts that are authorized pursuant to Florida law.
- The Legislature each year must approve a Tentative Work Program. Priorities for the Work Program are formed or guided by the State Comprehensive Plan and the Florida Transportation Plan.
- The Legislature may amend the process by which the Work Program is developed, amended, financed and adopted.

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<sup>18</sup> s. 334.30, F.S.

### Additional References

For additional resources and references regarding the development and execution of the Work Program, please visit the Florida Department of Transportation's Work Program website at <http://www.dot.state.fl.us/programdevelopmentoffice/>

For additional resources and references regarding transportation revenue, please see Florida's Transportation Tax Sources, A Primer at <http://www.dot.state.fl.us/financialplanning/revenue/primer.htm>